

PATENTApplication Serial No. 09/685,079
Attorney Docket No. 00-039

REMARKS

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I. Introduction

Claims 1-36 and 38-39 are currently pending in the present application. Claims 3, 8, and 10-12 have been withdrawn from consideration, leaving claims 1-2, 4-7, 9, 13-36, and 38-39 remaining for consideration. Of the remaining claims, claims 1, 33, 36, and 38-39 are independent. All remaining claims stand rejected. In particular:

(A) claims 1-2, 4-7, 9, 13-36, and 38-39 stand rejected under non-statutory obviousness-type double patenting for allegedly being unpatentable over claims 1-63 of U.S. Patent No. 6,415,262 (hereinafter "Walker");

(B) claims 1-2, 4-7, 13-15, 23, 25-28, 31-36, and 38-39 stand rejected under 35 U.S.C. §102(e) as being allegedly anticipated by Walker;

(C) claims 1-2, 4, 7, 15, 25, 27-28, 31-32, and 39 stand rejected under 35 U.S.C. §102(e) as being allegedly anticipated by U.S. Patent No. 5,870,459 (hereinafter "Phillips");

(D) claims 9, 13-14, 16-22, 24, and 29-30 stand rejected under §103(a) as being allegedly unpatentable over Walker; and

(E) claims 9, 13-14, 16-24, 29-30, and 33-36 stand rejected under §103(a) as being allegedly unpatentable over Phillips.

Upon entry of this amendment, which is respectfully requested, the specification will be amended to perfect a priority claim to Walker. No new matter is introduced by this amendment.

Applicants hereby respectfully request reexamination and reconsideration of the pending claims in light of the amendments and remarks provided herein and in accordance with 37 C.F.R. §1.114.

II. Priority Claim

In accordance with 37 C.F.R. §1.78(a), the Specification is amended herein to indicate a claim to the benefit of priority of U.S. Patent Application Serial No. 09/221,457, entitled "METHOD AND APPARATUS FOR DETERMINING A SUBSCRIPTION TO A PRODUCT IN A RETAIL ENVIRONMENT", filed on

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December 28, 1998, and issued as U.S. Patent No. 6,415,262 on July 2, 2002 (*i.e.*, Walker), which itself is a continuation-in-part of and claims priority to U.S. Patent Application Serial No. 08/889,589, entitled "SYSTEM AND METHOD FOR ESTABLISHING AND MANAGING SUBSCRIPTION PURCHASE AGREEMENTS INCLUDING COMMITMENTS TO PURCHASE GOODS OVER TIME AT AGREED UPON PRICES", filed on July 8, 1997, and issued as U.S. Patent No. 5,970,470 on October 19, 1999. The present application (filed October 6, 2000) and Walker application were co-pending at least from October 6, 2000 to July 2, 2002.

In accordance with 37 C.F.R. § 1.78(a)(1), Walker names as an inventor at least one inventor (*e.g.*, Jay Walker) named in the present (later-filed non-provisional) application, and also discloses the named inventor's invention claimed in at least one claim of the present (later-filed non-provisional) application in the manner provided by the first paragraph of 35 U.S.C. §112.

The present (later-filed) application is pending. As the present application was filed under 35 U.S.C. 111(a) before November 29, 2000, Applicants may submit the reference to claim priority at this time without a petition. See, 37 C.F.R. § 1.78(a)(2)(ii)(B).

This priority claim is made solely in order to expedite prosecution.

III. The Examiner's Rejections

Some of the Examiner's rejections are moot in light of the priority claim perfected herein, and other rejections are traversed, as follows.

A. Double Patenting - Walker

Claims 1-2, 4-7, 9, 13-36, and 38-39 stand rejected under non-statutory obviousness-type double patenting for allegedly being unpatentable over claims 1-63 of Walker.

The Examiner's rejections of claims 1-2, 4-7, 9, 13-36, and 38-39 are based not solely upon teachings alleged to be within Walker, but are also based in part on unsupported general assertions of what was "old and well known" before the time of Applicants' invention. Final Office Action mailed January 26, 2006, pg. 2, last paragraph

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to pg. 3, last paragraph. Applicants respectfully traverse the Examiner's Official Notice of these recited features alleged to make up for the deficiencies of Walker.

Applicants note that the scope of the matter of which the Examiner takes Official Notice is limited to the substantial evidence in the record for such matter. No references have been provided for any of the Examiner's assertions. Given that the only particular information in the record thus far regarding what is considered to be in the prior art is the Examiner's brief statements, Applicants cannot properly determine the bounds of the prior art relied upon by the Examiner. Accordingly, Applicants dispute that the subject matter asserted was "old and well known" at the time the invention was made, and request, for each of claims 1-2, 4-7, 9, 13-36, and 38-39, a reference to clarify the subject matter in more detail. MPEP §2144.03.

Accordingly, the Examiner's sweeping assertions cannot be used as prior art to the present application – only the content of the references of record which are prior art to the present application may be so used. "[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" *In re Zurko*, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); *In re Lee*, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

Further, Officially-Noted subject matter cannot be used as the basis for a rejection under 102 or 103. Official Notice may be used, if at all, only to clarify the meaning of a reference. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Typically, it is found necessary to take notice of facts which may be used to supplement or clarify the teaching of a reference disclosure, perhaps to justify or explain a particular inference to be drawn from the reference teaching.") (emphasis added).

In other words, Official Notice of what existed in the prior art is not permitted. A reference must be provided to show the scope and content of the prior art. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Assertions of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference. ... Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported and the appellant similarly

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given the opportunity to make a challenge.") (emphasis added); *In re Eynde*, 480 F.2d 1364 (C.C.P.A. 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. Facts constituting the state of the art in a patent case are normally subject to the possibility of rational disagreement among reasonable men, and are not amenable to the taking of judicial or administrative notice.") (emphasis added); *In re Pardo*, 684 F.2d 912 (C.C.P.A. 1982) ("[T]his court will always construe [the rule permitting judicial notice] narrowly and will regard facts found in such manner with an eye toward narrowing the scope of any conclusions to be drawn therefrom. Assertions of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference.") (emphasis added)

Further yet, a reading of the rejections of claims 1-2, 4-7, 9, 13-36, and 38-39 reveals that the Examiner's attempt to provide a motivation to modify the reference as suggested falls far short of meeting the requirements for establishing a *prima facie* case or obviousness. The Examiner provides nothing other than brief, conclusory, and unsupported statements to allege motivation, for example.

Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claims 1-2, 4-7, 9, 13-36, and 38-39.

Applicants therefore respectfully request that this non-statutory obviousness-type double patenting ground for rejection of claims 1-2, 4-7, 9, 13-36, and 38-39 be withdrawn

B. §102(e) Rejections - Walker

Claims 1-2, 4-7, 13-15, 23, 25-28, 31-36, and 38-39 stand rejected under 35 U.S.C. §102(e) as being allegedly anticipated by Walker. This ground for rejection is moot, however, at least in light of the amendment herein that perfects the priority claim to Walker, making Walker unavailable as prior art under §102(e). See, MPEP § 706.02(b) "Overcoming a 35 U.S.C. 102 Rejection Based on a Printed Publication or Patent [R-1]."

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Applicants therefore respectfully request that this §102(e) ground for rejection of claims 1-2, 4-7, 13-15, 23, 25-28, 31-36, and 38-39 be withdrawn.

C. §102(e) Rejections - Phillips

Claims 1-2, 4, 7, 15, 25, 27-28, 31-32, and 39 stand rejected under 35 U.S.C. §102(e) as being allegedly anticipated by Phillips.

Applicants respectfully note, however, that the cited reference fails to teach or suggest all limitations of claims 1-2, 4, 7, 15, 25, 27-28, 31-32, and 39. For example, Phillips fails to teach or suggest the limitations of:

(i) *arranging, via a processing device, for a benefit to be applied to the transaction in exchange for a future performance of a task by the customer, the task being associated with a party other than the merchant, and the benefit to be applied to the transaction before performance of the task by the customer* (claims 1-2, 4, 7, 15, 25, 27-28, 31-32); or

(ii) *after receiving the security deposit from the customer, providing the benefit to the customer in exchange for a task to be performed by the customer after the customer receives the benefit* (claim 39).

Applicants have reviewed Phillips and, particularly in the absence of any particular sections of Phillips having been cited by the Examiner, have been unable to locate any teaching or suggestion of such limitations in Phillips. The Examiner disagrees, due to an apparent mischaracterization of Phillips and/or the pending claims. The Examiner asserts, for example, that the “benefit” for which the customer in Phillips provides a security deposit is the “temporary provision of wireless phone in conjunction with the purchased communication time”. Final Office Action mailed on January 26, 2006, pg. 5, fourth paragraph. Applicants respectfully note, however, that the provision of the telephone and the communication services is the subject of the “transaction” in Phillips, and is not at all associated with any “benefit” other than the transaction itself. In other words, the pending claims recite a “transaction” and a “benefit” (e.g., a discount) to be applied to the transaction. **The benefit and the transaction are two separate concepts, of which only the transaction is contemplated by Phillips.**

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Accordingly, Phillips fails to teach or suggest either of the above-quoted limitations of claims 1-2, 4, 7, 15, 25, 27-28, 31-32, and 39.

Applicants therefore respectfully request that this §102(e) ground for rejection of claims 1-2, 4, 7, 15, 25, 27-28, 31-32, and 39 be withdrawn.

D. §103(a) Rejections - Walker

Claims 9, 13-14, 16-22, 24, and 29-30 stand rejected under §103(a) as being allegedly unpatentable over Walker. This ground for rejection is moot, however, at least in light of the amendment herein that perfects the priority claim to Walker, making Walker unavailable as prior art under §102(e). See, MPEP § 706.02(b) "Overcoming a 35 U.S.C. 102 Rejection Based on a Printed Publication or Patent [R-1]." Claims 9, 13-14, 16-22, 24, and 29-30 are also or alternatively believed patentable at least as depending upon patentable base claims. See Section B, herein.

Applicants therefore respectfully request that this §103(a) ground for rejection of claims 1-2, 4-7, 13-15, 23, 25-28, 31-36, and 38-39 be withdrawn.

E. §103(a) Rejections - Phillips

Claims 9, 13-14, 16-24, 29-30, and 33-36 stand rejected under §103(a) as being allegedly unpatentable over Phillips. Claims 9, 13-14, 16-24, 29-30, and 33-36 are believed patentable at least as depending upon patentable base claims. See Section C, herein.

Further, the Examiner's rejections of claims 9, 13-14, 16-24, 29-30, and 33-36 are based not solely upon teachings alleged to be within Phillips, but are also based in part on unsupported general assertions of what was "old and well known" before the time of Applicants' invention. Final Office Action mailed January 26, 2006, pgs. 7-8. Applicants respectfully traverse the Examiner's Official Notice of these recited features alleged to make up for the deficiencies of Phillips.

Applicants note that the scope of the matter of which the Examiner takes Official Notice is limited to the substantial evidence in the record for such matter. No references have been provided for any of the Examiner's assertions. Given that the only particular information in the record thus far regarding what is considered to be in the prior art is the

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Examiner's brief statements, Applicants cannot properly determine the bounds of the prior art relied upon by the Examiner. Accordingly, Applicants dispute that the subject matter asserted was "old and well known" at the time the invention was made, and request, for each of claims 9, 13-14, 16-24, 29-30, and 33-36, a reference to clarify the subject matter in more detail. MPEP §2144.03.

Accordingly, the Examiner's sweeping assertions cannot be used as prior art to the present application – only the content of the references of record which are prior art to the present application may be so used. "[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" *In re Zurko*, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); *In re Lee*, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

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In other words, Official Notice of what existed in the prior art is not permitted. A reference must be provided to show the scope and content of the prior art. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Assertions of technical facts in areas of esoteric technology **must always be supported by citation to some reference work** recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference. ... Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported and the appellant similarly given the opportunity to make a challenge.") (emphasis added); *In re Eynde*, 480 F.2d 1364 (C.C.P.A. 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. Facts constituting the state of the art in a patent case are normally subject to the possibility of rational disagreement among reasonable men, and **are not amenable to the taking of judicial or administrative notice.**") (emphasis added); *In re Pardo*, 684 F.2d 912 (C.C.P.A. 1982) ("[T]his court will always construe

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[the rule permitting judicial notice] narrowly and will regard facts found in such manner with an eye toward narrowing the scope of any conclusions to be drawn therefrom. Assertions of technical facts in areas of esoteric technology **must always be supported by citation to some reference work** recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference.") (emphasis added)

Further yet, a reading of the rejections of claims 9, 13-14, 16-24, 29-30, and 33-36 reveals that the Examiner's attempt to provide a motivation to modify the reference as suggested falls far short of meeting the requirements for establishing a *prima facie* case or obviousness. The Examiner provides nothing other than brief, conclusory, and unsupported statements to allege motivation, for example.

Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claims 9, 13-14, 16-24, 29-30, and 33-36.

At least for these reasons, Applicants respectfully request that this §103(a) ground for rejection of claims 9, 13-14, 16-24, 29-30, and 33-36 be withdrawn.

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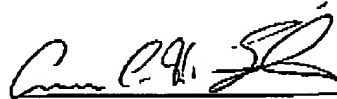
At least for the foregoing reasons, it is submitted that all claims are now in condition for allowance, or in better form for appeal, and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remain any questions regarding the present application or the cited reference, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Carson C.K. Fincham at telephone number 203-461-7017 or via electronic mail at cfincham@walkerdigital.com, at the Examiner's convenience.

If an extension of time is required, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,

April 21, 2006
Date


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